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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/054,192

01/22/2002

Charles Gordon Fisher III

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WINSTON & STRAWN LLP  
PATENT DEPARTMENT  
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EXAMINER

ROSS, RICHARD M

ART UNIT

PAPER NUMBER

3609

MAIL DATE

DELIVERY MODE

05/31/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

Application No.

10/054,192

Applicant(s)

FISHER, CHARLES GORDON

Examiner

Richard M. Ross

Art Unit

3609

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-8 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-8 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01/22/2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 01/22/2002.

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_.

## DETAILED ACTION

### *Priority*

1. Applicant's claim for the benefit of a prior-filed application under 35 U.S.C. 119(e) or under 35 U.S.C. 120, 121, or 365(c) is acknowledged. Applicant has not complied with one or more conditions for receiving the benefit of an earlier filing date under 35 U.S.C. 120 as follows:
2. The later-filed application must be an application for a patent for an invention which is also disclosed in the prior application (the parent or original nonprovisional application or provisional application). The disclosure of the invention in the parent application and in the later-filed application must be sufficient to comply with the requirements of the first paragraph of 35 U.S.C. 112. See *Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 32 USPQ2d 1077 (Fed. Cir. 1994).
3. The disclosure of the prior-filed application, Application No. 09/625,048 (now U.S. Patent 7,016,871), fails to provide adequate support or enablement in the manner provided by the first paragraph of 35 U.S.C. 112 for one or more claims of this application. Specifically, the disclosure of the prior-filed application does not provide adequate support or enablement for a system or method of administering a payout option of an individual annuity contract wherein the contract owner has the option to withdraw a portion of the principal during the payout phase of the annuity contract; the disclosure of the prior-filed application only provides support for a payout option wherein the contract owner may surrender the entire contract during the payout phase of the annuity contract. Accordingly, claims 1, 3-6, and 8 are not entitled to the benefit of the prior-filed application.

*Claim Rejections - 35 USC § 102*

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1, 3, and 4 are rejected under 35 U.S.C. 102(b) as being anticipated by Cooperstein (U.S. Patent 5,893,071).

6. With reference to Claim 1, Cooperstein discloses a system for administering annuity contracts, said system including a memory for storing data relating to the annuity contracts (Cooperstein Column 3, lines 25-30) and a processing means coupled to said memory configured to (among other processes) calculate and issue payments with respect to withdrawal requests from the contract owner (Cooperstein Column 3, lines 30-40, Figures 7A-7C). It is noted that the statement in Claim 1 that the annuity contract for which data is stored “includes a payout option which permits the contract owner to withdraw an amount of principal from the annuity during the payout phase of the individual annuity contract” has been interpreted as an intended use, and the memory disclosed in Cooperstein would be capable of performing such intended use.

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7. With reference to Claim 2, Cooperstein discloses that the withdrawal request can be for a portion of the available principal (Cooperstein Figures 7A-7C and Column 10, line 10 through Column 11, line 40).
8. With reference to Claim 4, Cooperstein discloses that a withdrawal charge will be calculated and withdrawn from withdrawal payments (Cooperstein Figure 7C, reference no. 202, Column 11, lines 25-40).
9. In addition, Claims 1-3 and 5-7 are rejected under 35 U.S.C. 102(e) as being anticipated by Dellinger (U.S. Patent 7,089,201 B1).
10. With reference to Claim 1, Dellinger discloses a computerized system for administering a payout option of an annuity contract that includes a memory storing data related to the annuity contract (Dellinger, Figure 9, and Column 14, lines 25-61) and the means to process withdrawal requests with respect to such an annuity contract (Dellinger, Figure 16, and Column 18, Lines 18-47).
11. With reference to Claim 2, Dellinger discloses that the withdrawal may be a portion of the principal (Dellinger, Figure 16, and Column 12, lines 36-39 and Column 18, Lines 37-60).
12. With reference to Claim 3, Dellinger discloses that the withdrawal may be of the entire value (Dellinger, Column 12, lines 36-39).
13. With reference to Claim 5, Dellinger discloses a method including the steps of storing data relating to an annuity contract (Dellinger, Figure 9, and Column 14, lines 25-61), such contract having an associated payout option which permits the contract owner to withdraw an amount of principal during a payout phase of the contract (Dellinger, Column 4, line 55–Column 5, line 16, and Column 12, lines 36-42), processing a request for a withdrawal, calculating a

payout in response to the request, and issuing such payout (Dellinger, Figure 16, and Column 18, lines 18-57).

14. With reference to Claim 6, Dellinger discloses that the withdrawal may be a portion of the principal (Dellinger, Figure 16, and Column 12, lines 36-39 and Column 18, Lines 37-60).

15. With reference to Claim 7, Dellinger discloses that the withdrawal may be the entire principal (Dellinger, Column 12, lines 36-39).

***Claim Rejections - 35 USC § 103***

16. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

18. Claims 1-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooperstein in view of Eric T. Sondergeld (hereinafter Sondergeld), "Cashing in: The Other Side Of Annuities," LIMRA'S Market Facts, Nov/Dec 1995, Volume. 14, Issue 6, pages 45-48.

19. With reference to Claims 1-8, Cooperstein discloses a system and method for administering annuity contracts, said system and method comprising a memory means for storing

data relating to the annuity contracts (Cooperstein Column 3, lines 25-30) and processing means coupled to said memory to process information and perform computations required for administering the annuity contract, including calculating and issuing payments in response to withdrawal requests (Cooperstein Column 3, lines 30-40, Figures 7A-7C) and calculating and deducting a withdrawal charge with respect to such withdrawal payments (Figure 7C, reference no. 202, Column 11, lines 25-40).

20. Cooperstein fails to explicitly teach that the annuity contract to which the system and method are applied contains an option permitting the owner to withdraw all or a part of the principal from the annuity during a payout phase of the annuity contract, and that the request for withdrawal to be processed may be a request made during such payout phase.

21. Sondergeld teaches that, as of 1995, the offering of an annuity contract which provided for withdrawals of either part or all of the principal during the payout phase was known in the art: “[s]ome companies have already begun offering liquidity after annuitization has begun, where the customer can withdraw part or all of the commuted value if the need arises.”

22. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Cooperstein by allowing the system to process withdrawals of principal during the payout phase, as taught by Sondergeld. The motivation for the modification would be to provide enhanced flexibility to the client and to provide for the efficient and centralized processing of all withdrawals from such annuity contracts.

23. In addition, Claims 4 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dellinger in view of Cooperstein.

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24. As discussed above, Dellinger discloses a method including the steps of storing data relating to an annuity contract (Dellinger, Figure 9, and Column 14, lines 25-61), such contract having an associated payout option which permits the contract owner to withdraw an amount of principal during a payout phase of the contract (Dellinger, Column 4, line 55–Column 5, line 16, and Column 12, lines 36-42), processing a request for a withdrawal, calculating a payout in response to the request, and issuing such payout (Dellinger, Figure 16, and Column 18, lines 18-57).

25. Cooperstein teaches that a system and method of administering annuity accounts can calculate and deduct a withdrawal fee from a payment issued in response to a withdrawal request.

26. Dellinger does not expressly teach the calculation and deduction of a withdrawal fee when processing a request for a withdrawal during a payout phase of the annuity contract.

27. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method and system of Dellinger to calculate and deduct an appropriate withdrawal fee when processing a withdrawal request during the payout period. The motivation for the modification would be to efficiently charge the customer, pursuant to the terms of the annuity contract, for the benefit provided by permitting such withdrawals.

### *Conclusion*

28. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The following references are relevant in showing that the offering of an annuity contract which provided for withdrawals of either part or all of the principal during the payout period was known in the art at the time of the invention: Stanley E. Hargrave, "An Update And



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More,” Journal Of Financial Planning, Denver, October 1998, Volume 11, Issue 5, Pages 36-38:

“[a] recent change in some [variable annuity] contracts is a rider that allows the annuitant to take additional distributions even after annuitizing the contract;” Linda Koco, “New England Annuities Unit Unveils 4<sup>th</sup> Generation VA,” National Underwriter (Life, Health/Financial Services Ed.), Erlanger, September 25, 1995, Volume 99, Issue 39, pages 11-13, discussing an annuity policy in which a “new option allows the client to keep control of the assets - and liquidity – throughout the annuitization to age 100;” and Henderson (Pub. No. US 2001/0014873 A1), at paragraph 30: “[annuitization] used to be irrevocable, but more recently, some insurers have created a reversal option where once annuitization has begun, the present value of any or a portion of the remaining income stream may be taken as lump sum and the contract terminated.”

29. Lewis (U.S. Patent 6,611,815) is relevant in that, like Dellinger, it discloses a system and method for processing an annuity contract having an associated payout option that permits the contract owner to withdraw a portion or all of the principal during a payout phase of the contract.

30. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard M. Ross whose telephone number is 571-272-3296. The examiner can normally be reached on Monday - Friday, 7:30 a.m - 5:00 p.m..

31. If attempts to reach the examiner by telephone are unsuccessful, the examiner’s supervisor, Steven McAllister can be reached on 571-272-6785. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

32. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

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applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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May 21, 2007  
Richard M. Ross



STEVE MCALLISTER  
SUPERVISORY PATENT EXAMINER